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February 10, 2006

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
P. O. Box 94275  
Baton Rouge, LA 70804-4275

RE: **APPLICATION FOR PUBLIC HEARING**  
Trahan Zone, Reservoir A  
Outside Island Field, Vermilion Parish, Louisiana  
File No. 073566-00

Gentlemen:

McMoRan Oil & Gas LLC ("Applicant"), through undersigned counsel, hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Trahan Zone, Reservoir A, Outside Island Field, Vermilion Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Trahan Zone, Reservoir A, Outside Island Field, Vermilion Parish, Louisiana.
2. To create a single drilling and production unit for the exploration for and production of gas and condensate from the Trahan Zone, Reservoir A, Outside Island Field, Vermilion Parish, Louisiana, such unit being shown on the attached plat and being designated as Trahan Zone.
3. To pool and integrate all separately owned tracts, mineral leases and other property interest within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate Applicant as Operator of, and its McMoRan Oil & Gas LLC –Jason G. Guidry, et al 28 No. 1 Well as the unit well, for the proposed unit.

{L0030095.1}

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

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BATON ROUGE HOUSTON LAFAYETTE MIAMI NEW ORLEANS THE WOODLANDS WASHINGTON, D.C.

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5. To propose that all wells drilled in the future to the Trahan Zone outside the unit proposed herein be located in accordance with the provisions of Statewide Order 29-E.
6. To provide that the Commissioner of Conservation may reclassify the reservoir by Supplemental Order and without the necessity of a public hearing should such a re-classification be warranted based on the evidence furnished to the Commissioner.
7. To define the Trahan Zone, Reservoir A, Outside Island Field, Vermilion Parish, Louisiana as a gas and condensate bearing zone encountered between the depths of 11,860' and 13,475' (ELM) in the Pan American Petroleum Corporation – E.M. Watkins No. 15 Well (Serial No. 115339) situated in Section 26, Township 13 South, Range 1 West, Vermilion Parish, Louisiana.
8. To consider such other matters as may be pertinent.

Pertinent data concerning this application is available for inspection at the offices of Jones Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P., 500 Dover Boulevard, Ste. 120, Lafayette, LA 70503. Any person wishing to inspect such data should call the undersigned at (337) 406-5610 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from applicant at the expense of the requesting party.

By letters of December 14, 2005, December 30, 2005 and January 3, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application meeting with respect to Applicant's proposal was thereafter held beginning at 10:00 AM on January 13, 2006 in Lafayette, Louisiana. Attached is the list of the names and addresses of those persons present at the conference.

On behalf of Applicant, Mr. Robin McGuire explained the purpose of the conference after which Mr. Louis Gilbert presented the basis for Applicant's proposal by sufficient detail for those present at the conference to have a reasonable opportunity to discuss the proposal in an attempt to resolve any differences in good faith. Following Applicant's presentation, there was a general question and answer period concerning the proposal of Applicant.

Thereafter, Mr. David Sturlese presented a counter plan on behalf of Munchrath, LLC. Thereafter, there was a general question and answer period, and the parties in attendance at the pre-application conference were able to discuss and attempt to reach a compromise between

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Applicant's unit proposal and the counter plan submitted on behalf of Munchrath, LLC. However, no compromise was reached.

Attached hereto is a plat outlining Applicant's proposed plat and being designated as TRAHAN RA SU A, which plat was attached to Applicant's original pre-application notice.

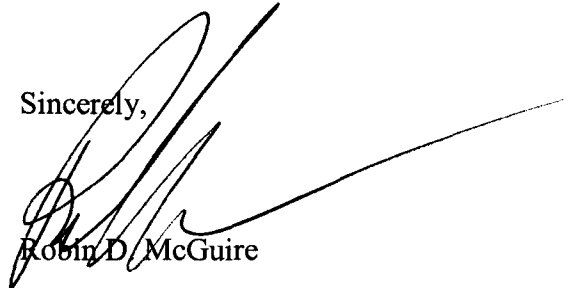
Also attached hereto is a list of names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent, pursuant to the Revised Rules of Procedure, such list is being forwarded to the Commissioner of Conservation and to the District Manager of Lafayette, Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Outside Island Field, Vermilion Parish, Louisiana, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check in the amount of \$755.00 payable to the Commissioner of Conservation for the application fee.

With kindest regards, I am

Sincerely,

A handwritten signature in black ink, appearing to read "Robin D. McGuire", with a long horizontal flourish extending to the right.

Robin D. McGuire

RDM/adt  
Enclosure

cc: Richard D. Hudson, District Manager  
Interested Parties (with plat and list of conference attendees)  
Interested Owners (with plat and list of conference attendees)  
Represented Parties (with plat and list of conference attendees)

